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OCA 86-0555 20 February 1986

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Tom DeYulia, House Post Office & Civil Service Committee on Retirement Legislation

- 1. On 20 February 1986 the undersigned met with Tom DeYulia, Staff Director of the House Post Office & Civil Service Committee to get his update on retirement legislation. DeYulia said the House and Senate staffs were very close to an agreement on the bill which resembles the House version more than the Senate version. For the non-CIARDS people full retirement will be at age 55 with 30 years service. The minimum age will increase to 57 by the year 2027. The retirement benefit will be based on one percent of the high-three average salary for each year of service. There is a supplemental annuity equal to social security paid to eligible participants who retire from age 55 to 62.
- 2. The COLA is eliminated until age 62 and then it will be the CPI-1%. Under the thrift plan the government will contribute 1% to every employee's account. For each of the next three percent of salary that the employee contributes the government will match it. The government will contribute \$.50 on the dollar for the next two percent the employee contributes for a total of five percent. The employee can contribute another five percent unmatched by the government into the plan.
- 3. DeYulia said that after they complete the non-CIARDS plan they will focus on the special categories, including the CIARDS. He said the accrural rate will be 1.7% for the first 20 years and 1% after that. Full retirement will continue to be at age 50 with 20 years service. He noted that they plan to tighten up the requirements for some of the special category people such as law enforcement officers from five to 10 years of hazardous duty.
- 4. The major problem areas with the administration are the operation of the thrift board and the overall cost. He said that the staffs will try to work out a compromise with the administration on the thrift board. It may take the

form of a three-year study during which time the funds contributed would be held in escrow. Once there has been agreement reached with the administration, he said that they needed the help of the heads of the major Agencies such as DOD, Justice, State and CIA to call White House Chief of Staff Regan to urge the administration to approve the bill. He added that Jamie Cowen, Senate Governmental Affairs staff, could advise us on the timing of a call from the DCI to Regan. He estimates that it will be in a few weeks.

- 5. DeYulia is convinced that the staffs have come up with a good bill. They are keeping their members briefed on its progress so that when they complete their staff work the members will "ratify" the bill with no delay. The staff will finish work on the non-CIARDS plan in a week or so, spend March on the thrift plan and the special categories and then complete the final drafting of the bill in April. He is confident that it will be approved in both houses by the end of April. He said that there is no alternative to this bill. If it fails to pass or the White House vetoes it, there is no other substitute bill.
- 6. He added that Chairman Ford, as a result of his briefing from the DDCI and Director of Personnel has agreed that CIA should maintain its own personnel records. He asked that we remind him and the HPSCI to be sure this agreement is included in the bill. Finally, he said that when consideration of the special categories begins he will ask the HPSCI staff for their proposal.

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